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## THE CHILD MILL

# Foster care contractor's woes spread

A decade after a harsh L.A. County audit of Teens Happy Homes, a probe finds ongoing financial difficulties and harm to children.

BY GARRETT THEROLF

A decade ago, a team of Los Angeles County auditors delivered a damning assessment of Teens Happy Homes, a private foster care agency responsible for hundreds of children.

Agency workers bought beer and cigarettes with public funds intended for mistreated children, auditors found. It billed the state and county more than \$100,000 for care it never provided. Employees wrote checks to themselves worth thousands of dollars and kept no receipts.

The auditors' conclusion: The county needed to give

Teens closer supervision or cancel its contract.

Not only did the county Board of Supervisors continue the Teens contract but it tripled its value, from \$1 million a year to as much as \$3.6 million, according to the agency's tax returns. Between 2008 and 2011, 1,154 children lived in its homes.

Interviews and an examination of public records by The Times found that questionable financial practices proliferated in recent years. At the same time, children suffered abuse and neglect repeatedly.

Robert Feilmeth, director of the Children's Advocacy Institute at the University of San Diego School of Law, said the long delay in reviewing the agency is indicative of the state and county's inattention to private foster care agencies that were created over 25 years ago.

"There are some clear failures indicating the need

[See Agency, A14]

# Problems continue at foster agency

[Agency, from A1] for financial auditing and performance oversight," Fellmeth said. "There is a need for systemic reform in this regulatory scheme."

County Supervisor Gloria Molina said Teens should finally lose its contract, and Supervisor Zev Yaroslavsky said that if the allegations against Teens prove true, they "would constitute a serious misuse of public funds and represent a grave threat to the health and safety of the foster children."

Philip Browning, director of the Department of Children and Family Services, said in an interview Thursday that he was startled to learn of the depth of problems at Teens and that he was enlisting the help of retired homicide detectives to examine allegations of child abuse and financial malfeasance at foster care contractors.

"My marching orders are to figure out what's going on and fix it," Browning said. "I think we have a long way to go in terms of improving the monitoring of these agencies."

Teens' chief executive, Beautina Robinson, grew up in foster care and knew the life from the inside out. She established the South Los Angeles agency's group home in 1990 and expanded with foster homes throughout Southern California.

As a private group, Teens was only loosely monitored by the state and county, which typically audits the finances at private agencies once a decade.

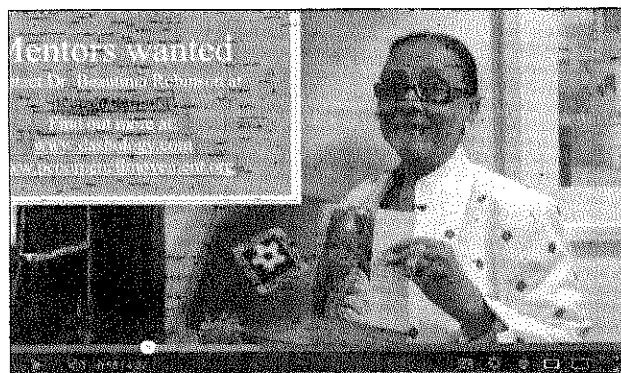
The routine audit of Teens in 2003 faced problems from the beginning. Shortly before auditors arrived, a sewage backup destroyed many financial records. The remaining documents painted a picture of financial chaos.

There were canceled checks showing the agency repeatedly bought cigarettes and beer with foster care money — in one instance, 30 cases' worth. There was \$46,000 in unpaid



MINH T. NGUYEN

**TAJIERE GOLDSMITH** entered Teens Happy Homes soon after his premature birth in 2008. Later, after being sent to live with Teryl Veal, below right, he died.



**BEAUTINA ROBINSON**, chief executive of Teens Happy Homes, in an online video for the Southern California Foster Care Mentoring Network, which operates out of Teens' headquarters in South L.A.

federal payroll taxes. The agency's bookkeeper wrote \$13,000 in checks to herself. "The agency was unable to explain the nature of these expenditures," auditors wrote.

The bookkeeper, fearing criminal prosecution, wrote to county auditors, saying Robinson had ordered two workers to "come up with receipts" to help keep staff "out of jail."

The plan fell apart when one manager refused. "He was not going to get caught up in falsifying any documents," the bookkeeper wrote in her letter, which was obtained by The Times.

An attorney for Teens declined to comment for this story.

In the end, auditors told

county officials they "should consider whether to continue contracting with this agency due to the nature of these financial issues."

But the agency retained its contract, and the auditor-controller never completed another financial audit to see if problems had been fixed.

The problems at Teens Happy Homes weren't just financial.

Over a three-year period, 240 allegations of abuse or neglect were filed on behalf of youths at Teens' homes, a Times analysis of child abuse hotline data found. Teens' rate of nearly two allegations for each home was more than two times the average for the state and two-thirds higher than that of



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**TERYL VEAL**, entrusted with Taji, had twice been banned from foster care for two years.

the rest of Los Angeles County.

About half of Teens' 131 facilities had no complaints during the period covered by the data, from October 2008 through September 2011. But four of them had 10 or more complaints, landing them among the top 40 in the county.

Investigators substantiated about 17% of all complaints from the Teens homes, about the same as the state average.

State investigators found one foster parent who had a child stay with a registered sex offender. In another home, they discovered a foster parent showing a child's face into her brother's potty-training bowl. One foster mother stole the children's allowance and gift cards.

Among the children sent to Teens by the county Department of Children and Family Services was Taji Goldsmith, a premature baby just a few days old in June 2008. The baby was 4 1/2 pounds at birth, with traces of PCP in his veins.

The agency was required to check on the child every week, but no one came, said Caroline Geh, his first foster mother. When a social worker finally arrived, Geh said she was asked to sign falsified reports for the missed visits.

After Taji spent about a month in Geh's care, a Teens social worker unexpectedly arrived to move him to a new home, Geh said.

The worker refused to let her change his diaper, feed him or fold his clothes, Geh and her family members recalled. Geh said she later told a Teens official, "You treated this baby like he was a piece of luggage."

Geh said she then left foster care for good and still keeps a photograph of Taji in her home.

Teens placed Taji with a newly recruited foster parent, Teryl Veal.

Veal had twice been

banned from foster care for two years: in 1992 after children in her care had untreated serious burns, and in 2000 because she had beaten foster children with hangers, according to state records.

Days after being sent to Veal's home, Taji died.

Veal told authorities that Taji had been sleeping with her on a bare twin mattress atop cinder blocks on the floor. Despite rules requiring cribs for infants, none was available in the home, according to court records.

The home overflowed with 20 people. It was filthy and crawling with bugs, according to a wrongful-death lawsuit later filed by Taji's birth mother.

Sheriff's investigators suspected that Veal rolled over on Taji, suffocating him. But such deaths often leave no telltale signs, according to the medical examiner, and the cause of death was never determined.

The California Department of Social Services, which licensed Teens Happy Homes, spent two hours visiting Teens on the day of Taji's death before issuing its final report on the matter. It cited Teens for failing to do criminal and child abuse checks on Veal and fined the agency \$100.

Teens and Veal, who is now deceased, paid an undisclosed amount to settle the suit filed by Taji's birth mother.

At a Teens board meeting in 2010, a management consultant for the agency, Jorge Gutierrez, told the directors that children dying didn't necessarily spell peril for foster care contractors, according to a tape secretly recorded by a former employee, Askari Moyenda, and provided to The Times.

"Agencies have deaths happen all the time," Gutierrez said. "They don't close you down for a death all the time, OK?"

Teens officials declined to listen to the tape and verify that it accurately reflected the meeting.

The more pressing problem at the meeting seemed to be the agency's continuing financial troubles.

Robinson, the chief executive, said that Teens was unable to qualify for a credit card. To pay bills, she told the board she put expenses on her personal credit card and then issued reimbursement checks to herself from the agency's account, and receipts were sometimes missing.

She said she had bought a car with agency funds and placed the ownership in her name. The perk was not included in the \$112,000 compensation package reported on filings to the county or on tax returns.

Gutierrez suggested that the agency give board members a stipend, but Robinson balked. "I've taken care of the board that needed it personally, myself, and I would prefer the board keep it that way," she said.

The board was concerned about inquiries being made at the time by the county auditor-controller, but Gutierrez said at the meeting that Teens was being alerted when county watchdogs suspected financial wrongdoing. "I have a person in there who is a very, very good friend of mine," he

said.

But the audit never materialized.

Auditor-Controller Wendy Watanabe said through a spokeswoman that her office had initiated the audit in August 2010 and was still working on it.

The spokeswoman said the office was unaware of any employee with a personal relationship with Gutierrez, but she added that it was not uncommon for a member of her staff to notify the agency of problems as soon as they arise. "Such a notification in no way alters or diminishes ... the final audit report," she said.

Teens Happy Homes was growing rapidly at the time. In 2010, the county's funding of the agency swelled to \$3.6 million.

Like all 50 Los Angeles County foster care contractors, Teens is a tax-exempt charity, but executives at Teens and some other contractors draw significant financial rewards from the agencies, according to Moyenda, a former Teens employee.

Moyenda said that he and his wife, Niki Milani, promised to pay \$139,000 in exchange for two top positions at Teens in 2007, hoping it would bring them financial security after years working in mid-level jobs in the industry.

The agency agreed to terminate its top program administrator to make way for Milani, and it established a new quality assurance position for Moyenda.

The couple agreed to make a \$70,000 down payment and promised to follow up with \$1,500 monthly installments until the \$139,000 was paid off, according to a copy of the agreement signed by the couple and the agency's chief executive and board of directors.

Teens did not completely report salaries on its tax returns, so it is unknown what compensation Moyenda and Milani drew from their positions.

Moyenda said they wrote a \$60,000 check to Teens and a \$10,000 check directly to Robinson, the agency's chief executive.

Under the agreement, Moyenda and Milani were called "investors." They were promised the ability to appoint three members of the seven-person board of directors.

In a brief interview, Robinson said she considered the couple's money to be a "donation."

Milani and Moyenda left the agency in 2010 and 2011, respectively, in a dispute over control of the agency, and filed a lawsuit against Teens, Robinson and board members, alleging they had breached their contract. Moyenda represented himself in the case, and it was recently dismissed after a court deadline for a filing was missed.

"These aren't real charities," Moyenda said.

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Times staff writer Doug Smith and researcher Maloy Moore contributed to this report.

This is one in a series of occasional articles on children living in California's privatized foster care system.

TU 5-14-13  
THE CHILD MILL

# LA Times County cuts off foster agency

Decision comes after  
new allegations of  
malfeasance, abuse.

BY GARRETT THEROLF

Responding to new allegations of financial malfeasance and abuse, Los Angeles County officials have decided to stop sending children to a private foster care agency that has been responsible for more than 1,100 youths in recent years.

The action was taken after an examination of Teens Happy Homes, published in The Times last month, revealed questionable spending and repeated instances of abuse.

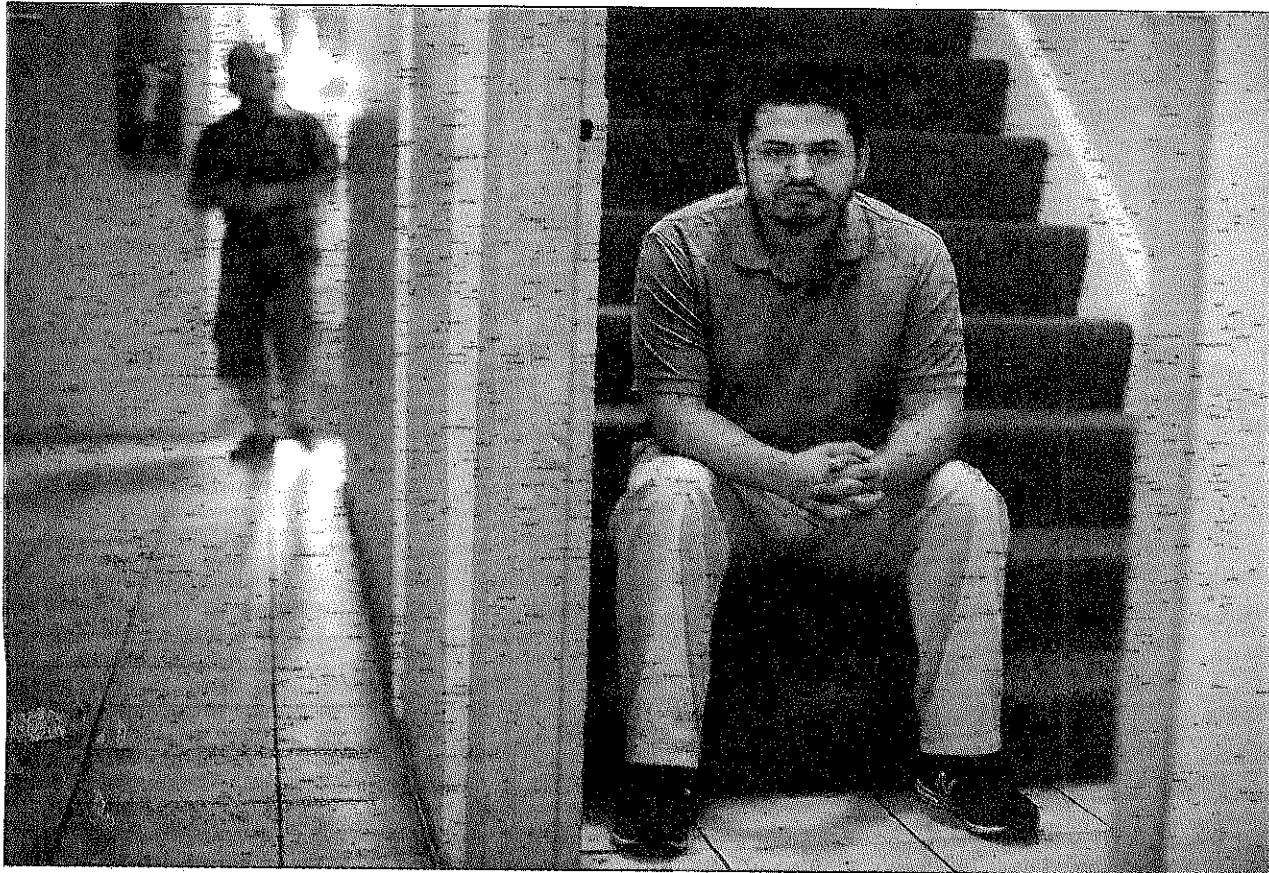
Fresh allegations surfaced in an ongoing audit obtained by The Times that found at least \$100,000 in suspect payments. Nearly \$30,000 went toward chief executive Beautina "Tina" Robinson's personal expenses, including her car and credit card bills. An additional \$70,000 covered the salaries of Robinson associates who did little or no work for the agency.

Additional records show that Maurice Mitchell, then president of the Teens Happy Homes board, retained his position while in jail before being convicted in a real estate scheme that involved identity theft, forged documents and more than \$260,000 in stolen money.

Philip Browning, director of the Department of Children and Family Services, said he had not been aware of the allegations against

[See Agency, A8]





ROBERT GAUTHIER Los Angeles Times

**JEFF CASTILLO** was a foster child in Teens Happy Homes. He said his accusations of abuse rarely resulted in investigations. "I went from making complaints once a week to once a month to once every six months."

# County to stop sending children to foster agency

[Agency, from A1] Mitchell until they were brought to his attention in an interview.

Browning also was told of complaints of physical abuse from a former Teens foster child, who recently came forward after reading about the agency's problems in the newspaper.

Browning said the allegations will have to be confirmed. If true, "I can't imagine us being in business with people who have done this," he said.

Teens officials declined to comment on the latest audit findings and Browning's decision.

The county now is considering even stronger action to terminate its rela-

tionship with Teens. Supervisors Michael D. Antonovich and Gloria Molina urged the county to cancel its contract and remove all children from the agency's care.

The two supervisors have not been able to secure a needed third vote from the five-member board. Supervisors Don Knabe, Zev Yaroslavsky and Mark Ridley-Thomas, who represents the South Los Angeles district where Teens is headquartered, declined to comment.

Under Teens Happy Homes' contract, the supervisors can terminate the relationship without cause or penalty, according to a DCFS spokeswoman.

Los Angeles County almost entirely funds Teens' budget — up to \$3.6 million a year.

Michael Nash, the presiding judge of L.A. County's Juvenile Court, and Leslie Starr Heimov, who leads the court-appointed law firm representing foster children, have called on the supervisors to sever the contract.

That action can be taken, Heimov said, without having to disrupt the placement of children whose foster parents are providing good care. "If the parents meet standards," she said, "the county needs to assist them with a new certification by a new contractor. The county has successfully managed large, sudden closures of contrac-

tors in the past."

The now three-year-long audit of Teens' alleged financial abuses probably will not be officially released for another four months because of potential appeals.

The documents obtained by The Times show that in addition to Robinson's \$112,000 salary, the agency provided \$23,032 to cover the down payment, warranty, monthly payments, insurance and satellite radio for her personal car.

The agency also paid her personal credit card expenses totaling \$5,671, the auditors said.

The \$70,000 in questionable salary payments went to Robinson's daughter, one of her former foster children and another person.

Her daughter, who was listed as the agency's operations manager, was seriously ill for all of 2009 but was not placed on medical leave.

She received her full salary, according to the audit.

Robinson's former foster child was living in Alabama at the time and there was no evidence he did any maintenance work the agency had paid him to do, the audit said.

The third person, whose relationship with Robinson is unknown, received \$19,000 in pay but had no personnel file on record at Teens Happy Homes and was unknown to the supervisor in charge.

The auditors painted a picture of an agency in financial chaos, with few meaningful controls.

County Auditor-Controller Wendy Watanabe has said she is considering forwarding allegations of fraud by Teens officials for criminal investigation.

The audit did not look beyond the agency's financial problems, but an earlier Times investigation found that Teens' rate of nearly two allegations of abuse or neglect for each home was more than two times the average for the state.

Jeff Castillo, the former foster youth who lived in Teens group homes and recently came forward with allegations of abuse, said his tongue had been severed and his hands scarred during beatings by staff members after he complained to social workers.

Castillo said Robinson told all foster children to call her "Don Tina."

To placate the youths, they were provided with drugs, alcohol and tobacco, he said.

Castillo, 29, later joined the military and now works for a court receiver responsible for rehabilitating apartment buildings.

Teens was "supposed to protect abused children like myself, but they just picked up where my parents left off," Castillo said.

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Times researcher Scott  
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report.

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## About this series

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